



U.S. ATTORNEY'S QUARTERLY

Government Wins Battle In 80 Year-Old Coin Case

On July 20, 2011, a federal court jury ruled in favor of the government in its seizure of ten 1933 Double Eagle gold coins that had never been circulated by the U.S. Treasury. The coins had been in the possession of the family of Israel Switt.

whether theft or embezzlement, and that the coins could be forfeited to the United States.

Switt, a Philadelphia jeweler, was the prime suspect of a 1944 United States Secret Service investigation into the theft of an unknown number of Double Eagles (Alexander Hamilton nicknamed the \$10 gold piece an "Eagle." A \$20 gold piece, twice an "Eagle," became a "Double Eagle."). The statute of limitations ran before charges could be levied.

The final disposition of the fate of the Double Eagles is pending a determination by U.S. District Court Judge Legrome D. Davis concerning title to the coins, each of which is valued in the millions of dollars.

The government was represented by Assistant United States Attorneys Jacqueline C. Romero and Nancy Rue.

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In 2004, Joan Langbord, the daughter of Israel Switt, gave the coins to the U.S. Mint. Once the coins were authenticated, the United States government seized the coins as stolen government property. The jury determined that the coins were indeed the proceeds of a crime,

A Message From the U.S. Attorney for the Eastern District of Pennsylvania

This year we mark the 10th anniversary of one of the most tragic days in our nation's history: September 11th, 2001. On that crystal clear morning on the east coast, violent extremists launched an unimaginable attack against innocent American victims as well as the democratic values and fundamental liberties which form the backbone of the United States. At that moment in time as I sat in my office listening to the news and staring at Independence Hall, I recall thinking that the world, in which my son and soon-to-arrive baby daughter would grow up, was forever changed.

The events of that day are seared in our memories, and every American citizen has been touched in some way by what transpired that day and by its aftermath. What the violent extremists did not count on when they took the lives of innocent victims, however, was America's always present resolve to face adversity directly

to become a stronger nation. While the 9/11 attacks clearly changed the way in which we view the world for national security purposes, the attacks did not change our fundamental belief that life, liberty, and the pursuit of happiness are unalienable rights which need to be protected for all citizens, regardless of one's race, religion, or place of national origin.

Since 9/11, combating terrorism has been the number one priority for the United States Department of Justice. As we work diligently to keep our country and citizens safe by disrupting, dismantling, and defeating terrorist plots, we never lose sight of the fact that we must vigorously enforce our civil rights laws so that everyone's civil liberties are protected.

We have always been a nation that personifies freedom, and many people

have died defending that freedom. As we commemorate the 10th anniversary of that fateful day, we honor those who lost their lives in New York City, in Washington, DC, and in Shanksville, Pennsylvania. We honor the courageous members of our military who have given their lives overseas to battle the forces that wish to harm us. But we should also pay tribute to the American spirit—that which remains unbroken in the face of adversity.

-Zane David Memeger



Dozens Arrested in “Operation Bone Crusher”

In August, a 498-count indictment was unsealed charging 53 defendants, including Montgomery County Physician Dr. Norman Werther, Northeast Philadelphia pharmacist Ihsanullah “Sean” Maaf, and alleged drug trafficker William Stukes, of Philadelphia, in a multi-million dollar drug conspiracy involving phony prescriptions, phony patients, and illegal distribution of prescription painkillers. The indictment also contains 240 counts of health care fraud. Stukes and his co-defendants allegedly recruited large numbers of pseudo patients and transported them to Werther’s medical office for fake examinations. The ‘patients’ paid an office visit fee and left with a prescription for oxycodone-based drugs without there being a medical need for the prescription. The ‘patients’ were then driven to various pharmacies to have their prescriptions filled, including Northeast Pharmacy. The drugs were then turned over to Stukes or his drivers and the Stukes organization would sell the narcotics to drug dealers for sale on the street. It is alleged that between September 2009 and July 2011, the Stukes drug trafficking organization earned more than \$5 million through these illegal prescriptions and that the defendants unlawfully acquired and distributed over 200,000 pills containing oxycodone.

Maaf, the pharmacist, is charged with laundering the money he received for his services by structuring his cash bank deposits to avoid federal reporting requirements. A forfeiture notice seeks at least \$920,574, representing the amount of property involved in the money laundering conspiracy. Defendants Rita Myles, Rashida Lyles, and Tina Weisz worked in Werther’s office and allegedly helped facilitate and verify the prescriptions. Defendants Gerald Brinkley and Darrah Robinson allegedly aided Stukes in the running of the drug organization. Charged as the drivers for the Stukes organization are: Herbert Hughes, Carlos

Richards, Warren Johnson, Gregory Johnson, Claude Nolan, and Darrell Hendricks; charged as bulk pill buyers are Timothy Peden, Troy Fletcher, Christopher Pizzo, Ato Strong, Sylvester Adams, Jason Romm, James Lyles, and Michael Sanders. Charged as ‘pseudo patients’ are: Zaniah Beard, Donald Brown, Kim Carter, Andre Dawkins, Evette Gringrow, Leon Harris, Denise Hawkins, Ronnie Jackson, Carla Jenkins, Beatrice Lewis, Michael Littlejohn, Vernell McDaniels, Eric Perry, Mark Reid, Michael Rominiecki, Wayne Rucker, Patricia Simmons, Lawrence Stith, Debra Stukes, Viola Stukes, Steven Thompson, Eric Treadwell, Julia Turner, Geraldine Watkins, Yolanda Williams, Lamont Butcher, Khaliff Headen, Sophia Holder, Latoisha Jones, Dawn Little, and Derek Stukes. These 31 pseudo patients are charged with conspiracy to distribute controlled substances and numerous counts of health care fraud.

At a news conference, U.S. Attorney Memeger said, “Ignoring the clear health risks that Oxycodone presents when introduced into the human body, Dr. Werther and pharmacist Maaf elected to use their medical training to engage in fraud by feeding the habits of drug abusers seeking a quick fix. Werther and Maaf are just like the street corner drug dealers they supplied, despite their professional status.”

The case was investigated by the Drug Enforcement Administration, the U.S. Department of Health and Human Services/Office of Inspector General, and the Federal Bureau of Investigation, with assistance from the Philadelphia Police Department, the North Coventry Police Department and the Upper Moreland Police Department. It is being prosecuted by Assistant United States Attorneys Michelle Rotella and Nancy Beam Winter.

VOCABULARY: Health Care Fraud

Criminal acts that constitute health care fraud typically involve a scheme to defraud a health care benefit program to obtain money and property through false and fraudulent pretenses, representations, and promises. Health care fraud can also involve receiving kickbacks or paying kickbacks in exchange for influence over medical recommendations or decisions.

CRIMEBUSTERS:

Dept. of Health & Human Services Office Of Inspector General

An interview with Special Agent-in-Charge Nick DiGiulio, with the Philadelphia Field Office of HHS-OIG Office of Investigations:

-What is the mission of HHS?

The mission of the Office of Investigations (OI) is to protect the integrity of the programs administered by the United States Department of Health and Human Services (HHS). OI conducts criminal, civil, and administrative investigations of fraud and misconduct related to HHS programs, operations and employees, utilizing state of the art technologies and law enforcement tools. Additionally, OI provides protective services to the Secretary and participates in the Department’s continuity of operations program as well as a full range of public safety and security incident management activities. OI fulfills its mission through its dedication to integrity, innovation, and excellence.

-What types of crimes or civil remedies does the (agency) pursue that the general public might not know?

Aside from investigating allegations of health care fraud, grant fraud, contract fraud, and employee misconduct, we are also funded for child support enforcement. Title 18, United States Code, Section 228, the Child Support Recovery Act of 1992 (CSRA), makes the willful failure to pay a past due support obligation with respect to a child residing in another State a Federal offense. A first violation of the CSRA is punishable by a maximum six months imprisonment and/or a fine. Subsequent violations are punishable by a maximum two years imprisonment and/or a fine.

CRIMEBUSTERS, cont'd.

-What do you like best about your position as Special Agent-in-Charge?

We have the honor of protecting tax dollars, and the integrity of more than 300 programs funded by the department; programs that are integral to the wellbeing of our citizens. It is gratifying to know that our work saves money, improves programs and, often times, ensures that people are getting what they pay for and are not neglected or mistreated. Everyday, we see how our work affects lives for the better.

What do you think is the most important function of the agency?

Inspectors General were established because our government needed independent agencies to serve as watchdogs for our departments and their programs. We need to stay true to that mission and to use all of our resources and remedies (criminal, civil, and administrative) to make sure our department is working properly, money is being spent correctly and efficiently, and that our citizens are getting what we are paying for.

How does the general public reach the agency if they have a question or they want to report an activity for investigation?

The best way to learn more about the Inspector General's Office for the United States Department of Health and Human Services is to visit our website at: <http://oig.hhs.gov/>. There is a **REPORT FRAUD** link in red at the top left corner of the home page.

U.S. Attorney Speaks at NOVA Conference

U.S. Attorney Zane David Memeger gave opening remarks at the 37th Annual Conference of the National Organization for Victim Assistance (NOVA). NOVA is a private, non-profit, 501(c)(3) organization of victim and witness assistance programs and practitioners, criminal justice agencies and professionals, mental health professionals, researchers, former victims and survivors, and others committed to the recognition and implementation of victim rights and services. Founded in 1975, NOVA's mission is to promote rights and services for victims of crime and crisis everywhere. Memeger told the group their efforts are a critical part of ensuring that crime victims are treated with fairness, dignity, and respect by a system that typically focuses punishing those who commit the crimes. This year's conference included a special commemoration of the 10th anniversary of September 11th.



Pictured: U.S. Attorney Zane David Memeger with Patricia Payne (left), Executive Director of the Northwest Victim Services, and Michelle Neil of the Juvenile Victim / Witness Unit in the Philadelphia District Attorney's office.

Marcellus Shale Working Group

At the end of May, more than 200 federal, state, and local law enforcement officers, prosecutors, and environmentalists from Pennsylvania, New York, West Virginia, and Ohio gathered for a two day conference that focused on Marcellus Shale. Discussions and presentations centered around the potential environmental impacts and law enforcement issues arising from the rapid expansion of natural gas extraction in the Marcellus Shale region. Topics included environmental and financial crimes, first response measures, wastewater disposal, heavy truck enforcement, and state and local law enforcement issues.

Honors

Assistant U.S. Attorney Terri Marinari received the Award for Outstanding Investigation in a Case from the Department of Justice Asset Forfeiture Money Laundering Section for her work in U.S. v. David Lynn. Lynn was taking payments from illegal immigrants in exchange for a promise to secure asylum for them. Lynn and his co-conspirators filed nearly 400 false asylum claims, and the case resulted in the forfeiture of approximately \$1.8 million.



CRIME & PUNISHMENT:



Charged:

August 2011: William Mackey, who runs the City-Wide Youth Leadership Agency, was charged with wire fraud for allegedly misusing grant money from the City of Philadelphia. Mackey allegedly cashed a check payable to a former fiscal agent knowing that neither he nor City-Wide had any right to the money. It is further alleged that between 2006 and 2009, Mackey negotiated, aided and abetted the negotiation of, approximately \$157,000 in fraudulent checks and wire transfers and caused losses in excess of approximately \$180,000. (FBI, Phila. DA, Phila. Inspector General)

July 2011: John C. Lucidi, Jr., a mortgage broker, was charged in relation to a multi-million dollar mortgage fraud scheme. Lucidi allegedly found buyers, including family members, to purchase residences - primarily located at the Jersey shore - for inflated prices so that the buyers could get kickbacks at closing. The scheme resulted in losses to lenders of approximately \$7 million. The buyers received kickbacks between \$30,000 to \$50,000. Lucidi allegedly profited by making inflated commissions on the transactions, by receiving kickbacks on his own purchases, and by receiving other kickbacks from the sellers of the properties. (FBI, IRS, Secret Service)

June 2011: Kidada Savage, 28, was added to a second superseding indictment in the case that alleges her brother, Kaboni Savage, ordered the firebomb killings of a federal witness' family. The indictment alleges that Kidada Savage made multiple efforts to intimidate and threaten witnesses, including posting their personal information on an internet website. According to the indictment, Kidada Savage was an enforcer in her brother's drug trafficking organization. She is in custody pending trial set for Sep-

tember 2012. (FBI, IRS, Phila. Police)

Convicted:

August 2011: Dr. Joseph J. Kubacki was convicted of health care fraud and making false statements in health care matters. Kubacki was chairperson of the Temple University School of Medicine Ophthalmology Department. He directed staff to bring him patient charts which he then signed to indicate he had personally seen patients that he had not seen. The erroneous charges to health care benefit plans totaled more than \$3 million. (HHS, FBI)

August 2011: Robert Stinson, Jr., of Berwyn, pleaded guilty to a 26 count indictment charging that he swindled 260 investors of more than \$17 million through his hedge fund company "Life's Good." Stinson faces up to 405 months in prison when sentenced December 13, 2011. (FBI, USPIS, IRS)

July 2011: 28-year old Jonathan Butler, of Harrisburg, was convicted of interference with, and attempted interference with, a person operating an aircraft, and use of a firearm in furtherance of a crime of violence in connection with shooting at a Philadelphia Police helicopter. Sentencing is scheduled for November 2, 2011 when Butler faces up to 20 years in prison. (ATF)

June 2011: A Philadelphia man, Miguel Bell, was convicted of running an identity theft ring that involved 24 other people in attempts to obtain more than \$1 million from victims' bank accounts. Between September 1, 2005 and November 30, 2008, Bell and his co-defendants obtained names, dates of births, addresses, social security numbers, and bank account numbers of customers of Citizens Bank, PNC Bank, Wachovia Bank, M&T Bank, Provident Bank, Sun Trust Bank, Commerce Bank, and Sovereign Bank. Bell some-

times accomplished this by initiating a romantic relationship with the information holders, who included bank workers and an insurance company employee. Bell was convicted of conspiracy to commit bank fraud and aggravated identity theft, bank fraud, and aggravated identity theft. (US Postal Inspection Service, Secret Service)

Sentenced:

August 2011: 24-year old Devon Brinkley, of Philadelphia, was sentenced to 107 years in prison for five armed robberies that he and his cohorts committed in October 2008. The robberies included Dunkin' Donuts stores in Philadelphia and Upper Darby as well as a Pizza Hut and a McDonald's. (FBI, Phila. Police, Upper Darby Police, Lower Merion Police, and the Tredyffrin Township Police).

August 2011: Robert J. Pennington, 25, of Reading, PA, was sentenced to 158 years in prison in connection with multiple armed robberies committed between December 27, 2007 and February 4, 2008 during which delivery truck drivers were assaulted and robbed at gunpoint in Reading. (ATF, FBI, Berks County District Attorney's Office, Reading Police).

June 2011: Gennaro Rauso, of Trenton, NJ, was sentenced to 160 months in prison for a mortgage fraud scheme involving his real estate management company D&B Property Investors which claimed to help financially distressed homeowners. Rauso had homeowners transfer title to him and sign a lease, making the homeowner a tenant who paid rent to Rauso. He then delayed and obstructed the foreclosure process during which time he collected monthly rent payments but made no mortgage payments, pocketing at least \$400,000 in diverted or lost mortgage payments. (FBI, IRS, HUD)

Appeal:

August 2011: The U.S. Court of Appeals for the Third Circuit vacated the sentences handed down in the case against Vincent Fumo and Ruth Arnao and ordered a new sentencing hearing for both defendants. Dates for new hearings have not yet been scheduled. In July 2010, Fumo was sentenced to 55 months for his conviction on 137 counts of fraud, tax evasion and obstruction of justice; Arnao was sentenced to 366 days for her conviction on 45 counts.

Sidenote:

You can find press releases about the cases we charge on our website:

www.justice.gov/usao/pae

If you believe you may be a victim of a federal crime, the U.S. Attorney's website has more information on whom to call to file a report. Go to www.justice.gov/usao/pae for help.